

Town of Nantucket 2014 Annual Town Meeting

The Voter's Guide to Warrant Articles

INTRODUCTION

Greetings, Nantucket Voter! And welcome to the 2014 Annual Town Meeting.

Warrant articles are written to conform to language of various Laws and Codes crafted to accomplish intended purposes. Sometimes the language is technical and does not always allow for easily understood warrant articles. This Guide provides an easy-to-understand overview of the warrant articles: it explains the objective(s) of an article and how the article would realize those objectives.

The Guide takes no position on any article. It is meant for informational purposes only and is not legally binding. There will likely be Technical Amendments to Motions that arose after the warrant went to print. Those amendments are not covered in this Guide. They will be addressed as one of the first orders of business at the beginning of Town Meeting.

Also not covered are citizen-sponsored articles. Citizen sponsor(s) are expected to represent their own articles and sponsors often make information handouts available at the handout table out in the lobby.

Voters vote on the MOTION to an article. See the Town Moderator's *Traditions and Procedures for Annual Town Meeting* booklet (available at the handout table) for details on voting, amendments and other procedures.

In case you wondered.....How are motions and recommendations developed for Town Meeting warrant articles?

- -- In the fall, the warrant for annual town meetings "opens" to citizen petitions -- usually mid-October to mid-November. During this "open" period, citizens are encouraged to meet with Town Counsel about a potential article. Several sessions are scheduled to help citizens craft their language to accomplish their intended purpose. Nantucket is one of the Commonwealth's few towns to offer its citizens this service.
- -- In December, the Finance Committee (a 9-member group appointed by the Board of Selectmen) begins its comprehensive review of all warrant articles. From December through mid-March the Committee meets 2-3 times weekly starting at 4:00 pm. Meetings are open to the public and you are encouraged to attend.

- -- In October, the Capital Program Committee (CapComm) begins its review of all General Fund and Enterprise Fund capital project requests (CapComm is a 7-member group comprised of at-large citizens appointed by the Board of Selectmen, plus representatives from the Finance Committee, Nantucket Planning & Economic Development Commission and Board of Selectmen). CapComm typically meets once a week through December. Every department with a request(s) attends at least one meeting, and often several.
- -- Several other groups expend considerable effort reviewing and preparing financial and other articles for Town Meeting: the Planning Board, the Community Preservation Committee, the Health & Human Services Contract Review Committee, the School Committee, the Airport Commission and the Board of Selectmen.
- -- For each article on the warrant, there is a Finance Committee Motion (except for the zoning articles). Zoning articles have Planning Board Motions. There also may be Comments to various articles by the Planning Board, Finance Committee or Board of Selectmen. This Guide does not address their Comments.

On to the Guide....

<u>Article 1 – Receipt of Reports</u>

Article 1 is in the warrant for reference and follows the state law (Chapter 40, s. 49) that the Board of Selectmen provide an Annual Town Report, which contains the reports of specific (and other) agencies and departments of the Town. The Annual Town Report is typically published just before the Annual Town Meeting and covers the activities of the Town departments for the prior Fiscal Year. A copy of the Fiscal Year 2013 Annual Town Report is on the handout table.

The Finance Committee's Motion is positive.

<u>Article 2 – Appropriation: Unpaid Bills</u>

With few exceptions, Massachusetts municipalities are not legally allowed to pay bills from prior fiscal years in the current fiscal year without the approval of Town Meeting. "Unpaid bills" are generally bills which arrived after the close of a fiscal year, were inadvertently not paid or received, or were not able to be paid in the fiscal year within which they were incurred for budgetary or other reasons.

The Finance Committee's Motion is positive. The funding source is Free Cash for the General Fund bills and Retained Earnings for the Enterprise Fund bills.

<u>Article 3 – Appropriation: Prior Year Articles</u>

From time to time, previously approved capital projects have been completed with funding left over or the project is not going forward. In these cases, Town Meeting can reappropriate any remaining funds to other eligible projects. If the original funding was borrowed, left-over funds may only be re-appropriated for specific projects which are similar to the type of project for which the original borrowing was incurred. If the original funding was not borrowed, the funding may be re-appropriated to any other project or funding source (for example, Free Cash or Stabilization Fund).

The Finance Committee's Motion is to take no action because the prior year articles are being reappropriated in its Motion to Article 10.

<u>Article 4 – Revolving Accounts/Annual Authorization</u>

A revolving account is a type of account or fund into which funds generated by a particular activity may be placed and used to pay for items related to that activity outside of the General Fund. For example, the Town has a Beach Improvement Revolving Account. The money received from the sale of beach stickers for driving on the beach is placed into this account and used for such expenses as: purchase of the beach stickers, printing of the beach map, signage and fencing, paying for the police beach patrols and ATV (All Terrain Vehicle) expenses. This year there is a capital purchase of a tractor and beach rake. Town

Meeting votes to set an annual Spending Limit on each revolving account which in the aggregate for all revolving accounts cannot exceed 10% of the fiscal year tax levy or, for FY 2015, \$6,933,345.

The Finance Committee's Motion is positive and sets forth the Spending Limit for each account for the coming Fiscal Year.

Article 5 – Appropriation: Reserve Fund

Massachusetts municipalities are authorized under Massachusetts General Law to make appropriations by a vote of Town Meeting to a Reserve Fund. By law, the Reserve Fund is available for "extraordinary or unforeseen expenditures" that may arise during the year. Money available in the Reserve Fund may be accessed only through a vote of the Finance Committee. The amount of funding which may be appropriated is limited to not more than 5% of the fiscal year tax levy or for FY 2015, \$3,466,673. The Fiscal Year 2014 Reserve Fund appropriation is \$500,000.

The Finance Committee's Motion is to appropriate \$500,000 for the FY 2015 Reserve Fund, to come from the tax levy.

<u>Article 6 – Fiscal Year 2015 General Fund Budget Transfers</u>

Transfers of funds between different departments and within a specific department's budget, including between the salary and other expense categories requires a vote of Town Meeting. Toward the end of a fiscal year, some departments have a need for additional funding while some have a need for less. This Article is meant to "true up" department budgets, using already appropriated funds so that there is no impact on the taxpayer.

The Finance Committee's Motion is positive and utilizes existing funding already appropriated at the 2013 Annual Town Meeting.

<u>Article 7 – Personnel Compensation Plans for Fiscal Year 2015</u>

This Article seeks approval of the compensation schedules for positions outside of collective bargaining units, or without employment contracts or otherwise not covered by the Town's personnel policies. The Article primarily lays out employee compensation schedules for per diem, seasonal and temporary employees, as well as elected officials. The schedule has changed very little from FY 2014 to FY 2015. Funding for the positions listed are contained within various departmental budgets.

The Finance Committee's Motion is positive.

Article 8 - Appropriation: Fiscal Year 2015 General Fund Operating Budget

Article 8 simply asks the Town to approve a General Fund operating budget for various town departments and agencies. The proposed expenditures are detailed in the Finance Committee's Motion. The FY 2015 General Fund operating budget, which is balanced and lives within the projected revenues of the Town is proposed to increase by 4.6% over FY 2014. The tax rate is not expected to increase as a result of this budget.

The Finance Committee's Motion is positive.

<u>Article 9 – Appropriation: Health and Human Services</u>

Each year, the Town of Nantucket executes grant agreements with non-profit agencies for various health and human services to be provided to island residents. The Town has considered this appropriation important and has been providing it for over 20 years. This appropriation avoids expansion of Town departments and personnel in fields that are not considered municipal services, but still provides needed services. There is a specific process in place for agencies to seek an allocation of the available funding. A rigorous review process, managed by the Town's Human Services Contract Review Committee, reviews agencies' requests for an allocation of funding each year. The Committee's annual recommendations are reviewed and endorsed by the Board of Selectmen before the Finance Committee's consideration. Following Town Meeting approval, grant agreements are executed with each agency. The agreements contain reporting and other oversight provisions meant to ensure proper use of the funds. The tax rate is not expected to increase as a result of this budget.

The Finance Committee's Motion is positive and the recommended amount is approximately the same as was recommended for FY 2014.

<u>Article 10 – Appropriation: General Fund Capital Expenditures</u> Capital projects are defined in the Town Code (Chapter 11, section 12.2 A and B) as follows:

- "A. A capital expenditure is a nonrecurring expenditure for land, buildings and/or building improvements having a useful life equaling or exceeding 10 years or an expenditure for municipal infrastructure and equipment having a useful life equaling or exceeding five years." In other words, capital expenditures are big-ticket items meant to last.
- "B. Furthermore, capital expenditures must have aggregate direct and indirect costs, even if expended in multiple fiscal years, equaling or exceeding a dollar amount to be hereafter set forth by the Capital Program Committee. Any change in the dollar amount must have a two-thirds majority vote by the Committee. Furthermore, \$50,000 is to be established as the initial amount until otherwise set forth in accordance with this article."

The Town's capital project review process begins in August each year and proposed projects are reviewed by: Town Administration, Board of Selectmen, Capital Program Committee and Finance Committee. Capital projects are generally funded by: 1) the General Fund, 2) the reappropriation of funds (as noted in the comment above to Article 3), 3) Free Cash or 4) Borrowing (which requires a 2/3 vote of Town Meeting and subsequent approval by the voters at an election).

The Finance Committee's Motion lists the proposed projects and funding sources. In summary, funding sources for \$5,031,000 worth of capital projects would be as follows:

\$4,142,955.94	Free Cash
\$350,000	Waterways Improvement Fund
\$230,000	Beach Improvement Revolving Fund
\$50,000	Wannacomet Water
\$31,000	Airport
\$100,000	Proceeds from Sale of Real Estate
\$127.044.06	Prior Year Articles
\$5,031,000	

The tax rate is not expected to increase as a result of these projects.

Article 11 – Appropriation: Enterprise Funds Operations

Enterprise Funds, as established under Massachusetts General Law are intended to fund their own operations through user fees and other self-generated revenue. It is not entirely unusual, however, for Enterprise Funds to have subsidies from the General Fund when Enterprise Fund revenue does not entirely cover the Enterprise operations. The Town of Nantucket has 6 Enterprise Funds:

Nantucket Memorial Airport**
Our Island Home*
Sewer
Solid Waste*
Water, Siasconset
Water, Wannacomet

^{*}Requires a General Fund subsidy and has since inception

^{**}Required General Fund subsidy in FY 2012, 13, 14 but is not expected to require the subsidy in FY 2015

The Finance Committee's Motion is positive and lists the proposed General Fund subsidy(s) for each Fund where applicable.

<u>Article 12 – Appropriation: Enterprise Funds Capital Expenditures</u>

Proposed Enterprise Fund capital projects follow the same review process as General Fund capital projects. Such capital projects may be funded by the Retained Earnings of the Enterprise Fund; or, as is typically the case, through a borrowing (requiring a 2/3 vote of Town Meeting). The repayment of the debt over time is from the Enterprise Fund's operating budget. If the debt service for a particular project is beyond what the Enterprise Fund can reasonably generate, the Town will seek approval of the voters for a debt exclusion at an election. In certain circumstances, such as the landfill mining item, the Town uses free cash to fund the capital expense.

The tax rate is not expected to increase as a result of these projects. Because of recent financial issues with the Airport, the Airport Commission provided the following chart and narrative of the Airport capital projects, at the request of the Finance Committee:

Many of Nantucket Memorial Airport's ("ACK") capital projects are eligible for partial reimbursement by the Federal Aviation Administration ("FAA") and/or the Mass. DOT Aeronautics Division ("State"). The schedule below shows the ACK capital projects for which approval is being sought for FY2015 and the possible reimbursement attached to each one, resulting in the net share payable by ACK.

PROJECT	Total Project Cost	FAA Share	State Share	ACK Share \$	ACK Share %
Ramp Rehabilitation (Note 1)	\$1,125,000	\$1,012,500	\$56,250	\$56,250	5.0%
Security Systems Upgrade(Note 1)	\$400,000	\$360,000	\$20,000	\$20,000	5.0%
Vehicles & Equipment	\$164,000	\$0	(Note 2)	\$164,000	100.%
Environmental Stewardship (Note 4)	\$570,000	\$0	\$107,160	\$462,840	81.8%
Fire & Rescue Truck (Note 1)	\$900,000	\$810,000	\$45,000	\$45,000	5.0%
TOTAL CAPITAL PROJECT COSTS	\$3,159,000			\$748,090	23.7%

Note 1 – Project or purchase will not commence until FAA/State reimbursement commitment is received.

Note 2 – Applications have been filed for State reimbursement up to 80% but there is no guarantee of any commitment. Purchases will be made with or without reimbursement.

Note 3 – The total ACK share of capital project costs actually completed will be funded with long-term debt, the debt service on which will be paid by the Airport Enterprise Fund budget.

Note 4 – Includes 3 projects/equipment purchases intended to keep the Airport in compliance with State environmental regulations.

The Finance Committee's Motion lists the proposed projects and funding sources.

<u>Article 13 – Enterprise Fund Budget Transfers</u>

This article is similar to Article 6 (General Fund Budget Transfers): transfers of funds between salaries and expenses or additional funding from another source requires a vote of Town Meeting.

The Finance Committee's Motion is positive.

<u>Article 14 – Appropriation: Waterways Improvement Fund</u>

Massachusetts General Law Chapter 40, section 5G allows municipalities to establish a Waterways Improvement Fund, into which we may deposit income that comes from mooring permit sales, rental of Town Pier slips, and the Town's share of boat excise tax. Appropriations out of the fund must be for waterways-related purposes and require a vote of Town Meeting. Annually, applicable projects and some personnel costs are budgeted from the Waterways Fund. For FY 2015, Article 14 would authorize the Town to spend money on the regular annual items, plus dredging the waterfront at Children's Beach, improving the Children's Beach boat ramp, and water quality testing.

The Finance Committee's Motion is positive to appropriate \$118,300 from the fund for FY 2015 (the Waterways Improvement Fund is also a funding source for items in the Motion to Article 10).

Article 15 – Authorization: Airport Aviation Fuel Revolving Fund for Fiscal Year 2015
As noted for Article 4, Massachusetts General Law permits the establishment of Revolving Funds for the purchases of goods and services and the deposit of revenues outside of a normal operating budget. By special legislation, the Town of Nantucket is permitted to create a revolving fund for the purchase and sale of aviation fuel. That fund affords the Airport Commission flexibility in the face of volatile fuel prices. Town Meeting can establish a spending limit on the aviation fuel revolving fund. That limit, when added to the Town's other revolving funds, shall not exceed 10% of the tax levy. Any revenue received in the revolving fund in excess of the established spending limit can, with Town Meeting authorization, be turned over to the Airport Enterprise Fund for its operating budget.

The Finance Committee's Motion is positive and establishes an Airport Aviation Fuel Revolving Fund for FY 2015 of \$5,382,650.

<u>Article 16 – Appropriation: Ambulance Reserve Fund</u>

Receipts from the Town's ambulance service are deposited into this fund. Expenditures made from this fund support the ambulance service. That support includes supplies, equipment and personnel costs for up to 4 full-time firefighter/EMT positions and the periodic replacement of ambulances.

The Finance Committee's Motion is positive and appropriates \$375,000 from the Fund for FY 15 for expenses associated with the Town's ambulance service.

<u>Article 17 – Appropriation: County Assessment</u>

The County Assessment is an amount "charged" by the County to the Town for County services. The scope of these services is comparatively limited (Nantucket County having just the one Town). The assessment covers a portion of expenses of the Registry of Deeds as well as legal services, professional services and other expenses associated with items such as easements for road or bicycle path projects. As now drafted, this Article would not increase the tax rate.

The Finance Committee's Motion is positive and appropriates \$170,201 for the FY 2015 County Assessment.

Article 18 - Appropriation/Finalizing FY 2015 County Budget

Article 18 is included in the warrant in the event that the Finance Committee acting as the County Review Committee votes a denial of all or part of the proposed County budget. If this happens, following the requirements of the County Charter, the County Commissioners may seek such denial to be overturned by Town Meeting. Since the enactment of the County Charter the Finance Committee has never denied the County's proposed budget.

The Finance Committee's Motion is to take no action since the County budget of \$170,201 was approved as presented.

<u>Article 19 – Rescind Unused Borrowing Authority</u>

From time to time, unused borrowing authority is cancelled (rescinded) if a project is not going to proceed or has been completed leaving all or a portion of the authorized amount unborrowed. It is good fiscal practice to keep borrowing authority current and to rescind amounts that are not going to be used.

The Finance Committee's Motion is to rescind the unused borrowing authority for 4 Airport projects which have been completed and the full authorized amount not needed.

<u>Article 20 – Appropriation/Ferry Embarkation Fee</u>

The ferry embarkation fee (the \$.50 surcharge on one-way fast ferry tickets) is split among the port towns. Proceeds received by the Town (typically \$150,000 - \$200,000 annually) require annual appropriation by Town Meeting to be used. Annually, the Town has appropriated these funds for seasonal law enforcement purposes through the Police Department budget.

The Finance Committee's Motion is to appropriate \$191,407 for the above purposes for FY 2015.

Article 21 - Appropriation/Other Post-Employment Benefits Trust Fund

The most common type of post-employment benefits is a pension. The category termed "Other Post-Employment Benefits" (or "OPEB") includes health insurance and dental, vision, prescription, or other healthcare benefits provided to eligible retirees, and, possibly, their beneficiaries; and, certain types of life insurance. The Town is only required to fund its current costs for OPEB benefits as part of the operating budget. Based on actuarial studies, however, these costs will rise significantly in future years. The appropriation under Article 21 is intended to anticipate these future costs by setting aside money in a trust fund in order to meet future OPEB obligations. Funding the trust fund now is a prudent financial practice and will serve to improve the Town's credit rating. This will be the second year the Town seeks to make an appropriation for this purpose through this Article (last year the Annual Town Meeting appropriated \$250,000). The tax rate is not expected to increase as a result of this Article.

The Finance Committee's Motion is to appropriate \$500,000 from the FY 2015 tax levy.

<u>Articles 22 – 28/Collective Bargaining Agreements</u>

Massachusetts General Law requires that funding for the first year of a collective bargaining agreement be approved by Town Meeting. Other than Article 24 (Our Island Home) none of the bargaining negotiations with the various unions were completed in time for funding amounts to be presented to Town Meeting. The tax rate will not increase as a result of Article 24.

The Finance Committee's Motion to Article 24 is to transfer \$54,000 from funds already appropriated for FY 2014 to fund a 1-year contract for the employees of the Service Employees International Union (SEIU) who work at Our Island Home.

Article 29 – Community Preservation Committee: FY 2015 Budget Transfers
While this is technically a citizen-sponsored warrant article, the Community Preservation
Committee is a committee of the Town of Nantucket. This warrant article simply seeks
Town Meeting approval to transfer various unspent funds to the FY 2015 reserved fund balances for future projects.

The Finance Committee's Motion is positive.

Article 30 – Appropriation: FY 2015 Community Preservation Committee
While this article is also citizen-sponsored, it utilizes funds received through a 3% surcharge on the tax bills of Nantucket property owners; as well as a state funded "match". The funds gathered may only be spent on projects in the statutory categories of: Open Space and Recreation, Historic Preservation, and Affordable Housing. The Community Preservation Committee's recommendations for FY 2015 are contained in the Article.

The Finance Committee's Motion is positive.

<u>Articles 31 – 33 are citizen articles and not explained here, as noted in the Introduction to this Guide.</u>

Article 34 – Appropriation: Egan Properties Acquisition

The Board of Selectmen sponsored this Article at the request of a citizen petition. It seeks to appropriate funds to acquire the subject properties which are in the vicinity of "Chicken Hill" (near "Dead Horse Valley"). If approved, the funds for a purchase of approximately 3 acres (estimated in the \$7,000,000 - \$8,000,000 range) would have to be secured with additional voter approval of a debt exclusion – a question for which is included on the April 15, 2014 election ballot. The Town's understanding is that the property is already under agreement with a private buyer.

The Finance Committee's Motion is not to adopt the Article; and, the Board of Selectmen has a Comment that it does not support the Article.

<u>Article 35 – Zoning Bylaw Amendment: Flood Hazard OverlayDistrict</u>

This Article seeks Town Meeting approval to amend the Town's flood maps, at the request of the Federal Emergency Management Agency ("FEMA"). All municipalities within certain specified areas of the country are being "asked" to do this in response to the National Flood Insurance Program (NFIP). If a municipality does not vote to amend the maps, it will be suspended from the NFIP and affected residents will be unable to purchase federal flood insurance through the NFIP. Coverage would only be available through private insurers at

what could be a higher premium. The Town has been working with FEMA on the map boundaries for nearly three years and affected residents have been given the opportunity to appeal their status in the proposed maps. Nantucket has no pending appeals.

The Planning Board's Motion is positive and the Finance Committee has a Comment that supports the Motion.

Articles 36 – 68 are zoning articles. A Planning Board report meant to cover explanation of these articles, is contained within the Town Meeting warrant along with a Glossary of Terms related to zoning articles.

Article 69 - Bylaw Amendment: Town Sewer District Map Changes

Sewer district map changes are generally sought by residents who want their property(s) to be in the district so they can connect to the Town sewer system; or, sometimes, the Town seeks a map change to include parcels that were inadvertently left out during the initial establishment of the districts and only recently discovered. The Town of Nantucket Sewer Act requires that the Board of Selectmen vote, prior to Town Meeting, on proposals to amend the map(s). If the Board does not approve a proposal, it will require a 2/3 vote at Town Meeting rather than a majority vote if the Board does approve a proposal. Proposals are reviewed by an internal administrative work group comprised of the DPW Director, Director of Planning and Health Officer. The group reviews the proposals in accordance with criteria established for determining if a property should be included in a district. At a public hearing held on February 19, 2014, the Board of Selectmen (acting in its capacity as Sewer Commissioners) voted to approve inclusion of the parcels listed in the Article, into the Town Sewer District.

The Finance Committee's Motion is positive.

Article 70 – Bylaw Amendment: Town and Sconset Sewer District Map Changes
This Article is very similar to Article 69, only for different parcels in both the Town and
Sconset Sewer Districts. Since there were discussions still underway with some of the
parcels when the warrant went to print (Old South Road area - related to some zoning
articles; and, Sconset parcels – related to Baxter Road area zoning articles), neither the
Board of Selectmen nor the Finance Committee acted on whether or not to include the
parcels in the districts until after the warrant was printed.

The Finance Committee's Motion and Board of Selectmen Comment are to be provided at the Town Meeting.

<u>Articles 71 – 73 are citizen-sponsored Sewer District articles and are not included in this</u> Guide.

Article 74 - Bylaw Amendment: Parking

Through this Article, the Board of Selectmen is seeking to repeal the current bylaw which governs parking so that changes may be made more expeditiously, through a public hearing process, rather than having to wait for a town meeting to make changes. The original bylaw was approved over 30 years ago when parking conditions were much different. The bylaw has not kept up with the times, and it can be cumbersome and difficult for the Board to act when it needs to adjust parking regulations if it has to wait for a town meeting that could be months away.

The Finance Committee's Motion is positive.

Article 75 - Bylaw Amendment: Parking

This is a "fall back" in the event that Article 74 is not approved; and, would make amendments to the current bylaw rather than a complete repeal. It would allow the Board – again, through a public hearing process – to make certain parking changes without the approval of Town Meeting.

The Finance Committee's Motion is positive.

Articles 76 – 81 are citizen-sponsored articles and not included in this Guide.

The next several articles are Home Rule Petitions. A few words about Home Rule Petitions:

Cities and towns in the Commonwealth of Massachusetts are subject to the General Laws of the Commonwealth. From time to time, a city or town requires special legislation (via a "Home Rule Petition") in order to address a need or issue unique to that municipality. Sometimes this is an exemption to the law, sometimes it is an addition. A request for special legislation must be approved by Town Meeting and enacted by the State Legislature. Thousands of Home Rule Petitions are submitted annually from cities and towns across the state. As a result, they can often take years to enact. Some of the Home Rule Petitions that follow have been approved by Town Meeting several times because they have not been enacted by the Legislature.

Article 82 - Home Rule Petition: Airport Fuel Revolving Fund

As noted with Article 15, the Town sought and received approval for special legislation to establish an Airport Fuel Revolving Fund. Because of the volume of fuel sales and purchases in that Fund, the Town has bumped up against the legal requirement with its

other revolving funds that in total, cannot exceed 10% of the tax levy or \$6,933,345. The Town is seeking an exemption from the "10% rule" for this one revolving fund.

The Finance Committee's Motion is positive.

<u>Article 83 – Home Rule Petition: Nantucket Mosquito Control Project</u>

As we all know, mosquitoes can be a real problem in Nantucket, especially in wet/swampy areas. Many of the areas are in private ownership and cannot be treated without permission of the private property owner. This Article will allow for testing and treating of documented breeding areas on both public and private property. Private property owners will be able to opt out if they so choose.

The Finance Committee's Motion is positive.

<u>Article 84 – Home Rule Petition: Community Preservation Committee</u>

This Article restores compliance with state law on the part of the Town's Community Preservation Committee (CPC). The state Community Preservation Act prescribes the membership of local Community Preservation Committees (which are responsible for making recommendations on the allocation of the Community Preservation funds – see Articles 29 and 30). One member must be from the local historical commission. When the Town's CPC was initially appointed in 2003, though, the Nantucket Historical Commission (an advisory group appointed by the Board of Selectmen) had not yet been established; however, the Historic District Commission (an elected commission) did exist. A decision was made that an HDC representative would "fit the bill" and the local CPC bylaw was written to include an HDC representative on the CPC. Technically this is not what is allowed by the state law. The Article would restore compliance with state law by allowing for the local bylaw to be amended to include an HDC representative on the CPC.

The Finance Committee's Motion is positive.

<u>Article 85 – Home Rule Petition: Conveyance of Property by the County/Smooth</u> Hummocks

Conveyances of County land require special legislation; and, changes of use in land previously designated for a particular purpose can also require legislative approval. Here, approval is being sought to convey County land held for beach purposes in the Smooth Hummocks area to the Town for beach and open space purposes, and also to authorize the Town to convey all or any portion of the subject property to the Land Bank.

The Finance Committee's Motion is positive.

Article 86 – Home Rule Petition: Conveyance of Miscellaneous Land to the Land Bank Again, with this Article, special legislation is required to change the use of certain land currently owned by the Town to open space and public park purposes, as well as to authorize conveyance of the properties listed in the Motion to the Land Bank.

The Finance Committee's Motion is positive.

<u>Article 87 – Amendment to Historic District Commission Special Act</u>

Because the HDC was originally created by special legislation, any amendments to it also require approval of the State Legislature. In a nutshell: this Article would amend the HDC Act so that the membership would change from 5 elected members to 3 elected and 2 appointed by the Board of Selectmen.

The Finance Committee's Motion is positive.

Articles 88 – 91 are citizen-sponsored articles and not included in this Guide.

Article 92 – Home Rule Petition: Conveyance of Land from County to Town
As noted in Article 85, the conveyance of County land requires special legislation. This petition seeks to convey County land to the Town for general municipal and access purposes. The conveyance is being sought so that in the event that a new access road needs to be created in the Baxter Road area due to erosion of the Sconset Bluff along that road, this required step will have been accomplished.

The Finance Committee's Motion is positive.

<u>Article 93 – Real Estate Conveyance: Portions of Baxter Road</u>

Town Meeting approval is required in order for Town property to be conveyed (sold, transferred) to other parties. This Article seeks to authorize the Board of Selectmen to convey to abutters certain parcels of Town-owned property for residential or access purposes. Again, this is prompted by the possibility that the Town may need to allow for alternative access for properties using Baxter Road in the event of a road failure due to Sconset Bluff erosion.

The Finance Committee's Motion is positive.

Article 94 - Real Estate Acquisition: Unnamed Way off Baxter Road

The Town Charter requires Town Meeting approval for eminent domain takings by the Town through the Board of Selectmen. This Article involves an unnamed way that could provide alternative access for Baxter Road properties in the event of road failure due to

erosion. If it becomes critical and negotiations to acquire this property outside of the eminent domain process are not successful, the Town may have no choice but to proceed with the taking process. This Article authorizes that action.

The Finance Committee's Motion is positive and authorizes an appropriation of \$500,000 from the Proceeds from Real Estate Sales Account, if needed.

<u>Article 95 – Real Estate Disposition: Unnamed Way off Baxter Road</u>

This Article pertains to the same property as in Article 94. If the property is acquired, this Article authorizes conveyance to abutters of parts of it which may be necessary for a successful transaction for alternative access for Baxter Road properties.

The Finance Committee's Motion is positive.

<u>Article 96 – 99 Real Estate Acquisition/Disposition: "Paper" Streets in Brant Point, etc Area: "Paper" Proprietors Roads in Cisco, etc Area</u>

These 4 Articles are intended to "clean up" small parcels of land that are essentially unclaimed and not currently taxed. Articles 96 and 97 go together and Articles 98 and 99 go together. The authorizations in Articles 96 and 98 would allow the Board of Selectmen to acquire the parcels – by eminent domain if necessary - to clear title to them. In Articles 97 and 99 the authorization would allow the Board to sell the parcels to private property owners (generally abutters) in accordance with specific requirements so that the parcels are eventually put into the tax base.

The Finance Committee's Motion is positive.

<u>Article 100 – Public Ways: Coffin, Fayette, Meader and Francis Streets</u>
Recent research revealed that these 4 streets have never actually been properly laid out and accepted as public ways! The Article will allow the process to be completed.

The Finance Committee's Motion is positive.

<u>Article 101 – Real Estate Disposition: Ticcoma Way</u>

This article allows the development of affordable housing or municipally sponsored housing for employees on 3 newly created lots located along a new road at the rear of land at 2-4 Fairgrounds Road and removes earlier authorization for land (10 lots) along Ticcoma Way that the Board of Selectmen and Town Administration have found to be inappropriate for housing because their location may impede upon or unreasonably limit future uses of the site.

The Finance Committee's Motion is positive.

<u>Article 102 – Real Estate Conveyance: Miscellaneous Town Land to the Land Bank</u>
This is a companion article to Article 86. Article 86 seeks special legislation to allow a conveyance of Town land to the Land Bank. Article 102 authorizes the Board of Selectmen to execute the action if approved by the Legislature.

The Finance Committee's Motion is positive.

Article 103 - Appropriation: Acquisition of Land in Madaket

This Article would authorize the Board of Selectmen to purchase about 92 acres at the Head of the Plains in Madaket (site of the Federal Aviation Administration tower, which has been removed) from the General Services Administration of the federal government. The process involves the Town and the GSA appraisers determining the value of the property; then the parties would negotiate a sale price. It is expected that conservation organizations and private individuals or organizations would contribute to the cost of the acquisition. Since the appraisers have not established a value for the land, consideration of this Article is considered premature.

The Finance Committee's Motion is to take no action.

<u>Article 104 – Real Estate Acquisition: Lot 24, Okorwaw Avenue</u>

This Article is to authorize the Board of Selectmen to acquire by eminent domain this lot of land, Lot 24 Okorwaw Avenue, for Airport purposes. This lot was included within the description of the boundaries of a large tract of land which was taken for Airport purposes in 1941 but the proper filing was not completed as required by statute. The authorization provided for in the Article would allow for proper completion of the acquisition.

The Finance Committee's Motion is positive.

Article 105 is a citizen-sponsored article and is not included in the Guide.

Article 106 - Appropriation: Stabilization Fund

The Stabilization Fund (aka the "Rainy Day Fund") is most often relied on by municipalities to fund items such as large legal settlements, "stabilize" the budget in an emergency or fund future significant capital projects. Currently, Town policy requires that the balance in the Stabilization Fund be at least equal to 5% of revenue. The level is currently achieved. The Town is not seeking an appropriation into or from the Fund for FY 2015.

The Finance Committee's Motion is to take no action.

<u>Article 107 – Appropriation: Free Cash</u>

The Town's certified free cash for use in FY 2014 and 2015 is \$5,671,720. Approximately \$4,300,000 (see Articles 2, 8, 10) of that amount is proposed to be used to fund items in both fiscal years. The remainder is currently left undesignated and would be part of the Free Cash calculation following the end of FY 2014.

The Finance Committee's Motion is to take no action.

Glossary of Terms

Appropriation: Approval by Town Meeting to spend money for specific purposes defined by a warrant article.

Budget: The Town's annual plan of financial operations that includes an estimate of proposed revenues and expenditures.

Community Preservation Act: A state law that provides for a 3% surcharge on tax bills to fund projects in the areas of affordable housing, open space and recreation, and historic preservation.

Debt Exclusion: A vote with a 2/3 quantum at Town Meeting at both a town meeting and an election with a simple majority vote to exclude debt service payments for a particular project from the levy limit, which allows the Town to increase its total property tax levy above the limit set by Proposition 2 $\frac{1}{2}$. The amount of the annual debt service payment is added to the levy limit for the life of the debt only.

Debt Service: Payment of interest and principal to holders of the Town's bonds and notes.

Enterprise Funds: A method that allows a community to account for funds used for a certain area of service through charges to those who use the service – in other words, the user pays. Sometimes, a particular service cannot support itself and requires a subsidy from the General Fund. Nantucket has 6 enterprise funds (Airport, Our Island Home, Solid Waste, Sewer, Wannacomet Water, Sconset Water), 2 of which require a General Fund subsidy (Our Island Home, Solid Waste).

Fiscal Year: A 12-month period running from July 1 – June 30, commonly used in municipal government as the time period within which budget funds will be spent. Most of the monies appropriated at the 2014 Annual Town Meeting are for the Fiscal Year 2015, which starts on July 1, 2014 and ends June 30, 2015.

Free Cash: A dollar value, which must be certified by the state, which represents revenues that exceeded expectations and expenses that were below projections. Town Meeting approval is required in order to spend free cash. In Nantucket, free cash is generally used for one-time items such as capital projects, and not used to balance the budget.

General Fund: The major Town fund created with Town receipts and tax revenues from which most Town expenses are spent. The General Fund contains several categories defined in the budget, such as personnel costs.

Levy: The amount a community raises through the property tax. The levy can be any amount up to the levy limit, which is re-established every year in accordance with Proposition 2½ provisions.

Override: A majority vote by Town Meeting and an election to permanently increase the levy limit.

Proposition 2½: A law approved by Massachusetts voters in 1980. It sets a limit on the year to year increase of real and personal property taxes that a community may levy on its taxpayers.

Retained Earnings: The Free Cash for an Enterprise Fund.

Stabilization Fund: A "rainy day" fund that is a special reserve account created primarily to provide for capital improvements and unforeseen circumstances. It requires a 2/3 vote of Town Meeting to take money from this fund and appropriate it for expenditure. Appropriation into the Fund may not exceed 10% of the prior year's tax levy. The current balance in Nantucket's Stabilization Fund exceeds the threshold recommended by the state.

Warrant: A list of the article to be acted upon by Town Meeting. The language of an article frequently conforms to the style of the code into which it will be placed if passed, such as zoning.